

Biofuels Corporation plc

Placing and Open Offer to raise £32.7 million and Revised Credit Agreement.

Biofuels Corporation plc ("Biofuels" or the "Company"), which is seeking to establish one of Europe's largest biodiesel plants, announces that it has agreed revised credit facilities with Barclays Bank plc ("Barclays") and is proposing to raise approximately £32.7 million (£30.6 million net of expenses) through a combination of a firm placing of 3,336,956 new ordinary shares and a placing and open offer to qualifying shareholders of 10,873,328 new ordinary shares each at 230p per share.

Highlights:

- Proposed firm placing of 3,336,956 new ordinary shares and proposed placing and open offer of 10,873,328 new ordinary shares at 230p per share to raise approximately £32.7 million (£30.6 million net of expenses), which has been fully underwritten by Collins Stewart Limited ("Collins Stewart").
- Collins Stewart, nominated adviser and broker to the Company, has today conditionally placed with institutional and other shareholders 10,873,328 new ordinary shares subject to clawback to satisfy valid applications by qualifying shareholders under the open offer.
- Sean Sutcliffe, chief executive, Robert Green, finance director and Clare Spottiswoode, non executive director have all agreed to subscribe for a total of 76,087 of the firm placing shares.
- Revised credit facilities agreed with Barclays for up to £22.5 million in aggregate comprising £13.0 million of term and £9.5 million of working capital facilities.
- The Directors believe that the Placing, together with the revised credit facilities should ensure that the Group has sufficient resources to complete the construction of the first plant and commence operations whilst providing flexibility to commence development of a second Plant when appropriate.
- The Directors of Biofuels are of the opinion that, on the basis of assumptions set out in the prospectus to be issued later today, the Company is capable of making £14 million pro forma operating profit in an illustrative twelve month period. Excluding the impact of commodity hedging costs, this pro forma figure would be approximately £30 million. These figures assume the Company is well established with a successful production record enabling it to access the best markets for its products at market rates.